



Division of Family Assistance Terry R. Smith, Director

Department of Health and Human Services
House Finance Division III
Budget Overview
March 3, 2009



Five Primary Missions



1. Cash safety net for low income people.
2. Nutritional safety net for low income people.
3. Eligibility services for other division programs.
4. Moving able-bodied people to independence.
5. Careful stewards of taxpayer dollars.



Mission 1: Cash Safety Net



Temporary Assistance to Needy Families (TANF)

- Cash assistance to 5,625 (as of January) families who have children with an absent, unemployed or disabled parent.
- TANF also provides Emergency Assistance to TANF eligible families to obtain and retain safe housing.
- TANF provides support services for employment purposes, such as transportation, clothing, car repair.
- TANF receives about \$38 million federal funds per year, and requires about \$32 million in general funds for maintenance of effort.



Mission 1: Cash Safety Net



Aid to the Permanently and Totally Disabled (APTD)

- Cash assistance to 7,172 individuals who are mentally or physically disabled and between the ages of 18 and 64.
- Average grant: \$186.94 per month.
- Grant Funding is 100% general funds.



Mission 1: Cash Safety Net



Old Age Assistance (OAA)

- Cash assistance to 1,344 individuals who are age 65 and older.
- Average grant: \$173.60 per month.
- Grant Funding is 100% general funds.



Mission 1: Cash Safety Net



Aid to the Needy Blind (ANB)

- Cash assistance to 244 individuals who are blind.
- Average grant: \$369.42 per month.
- Funding is 100% general funds.



Mission 2: Nutritional Safety Net



Food Stamp Program

- Serves 36,145 families per month
- Benefits can only be spent on food
- Maximum benefit \$5 per day per person. Beginning April 1, the Stimulus Package will increase it to \$5.50 per day per person, or \$1.83 per meal.
- Benefits are 100% federal
- Administration costs are 50/50 federal/state



Mission 3:

Eligibility services for non-DFA programs



- DFA also provides eligibility service to other divisions/bureaus for non-DFA specific programs:
 - Medical Assistance including:
 - Medicaid
 - Healthy Kids Silver
 - Child Care for employment and training
 - Refugee Cash and Medical Assistance



Mission 4:

Moving Able Bodied People to Independence



- A condition of both TANF and Food Stamp benefits is that able-bodied individuals must engage in work search and/or other work-related activities with our employment teams.



Mission 5:

Careful Stewards of Taxpayer Dollars



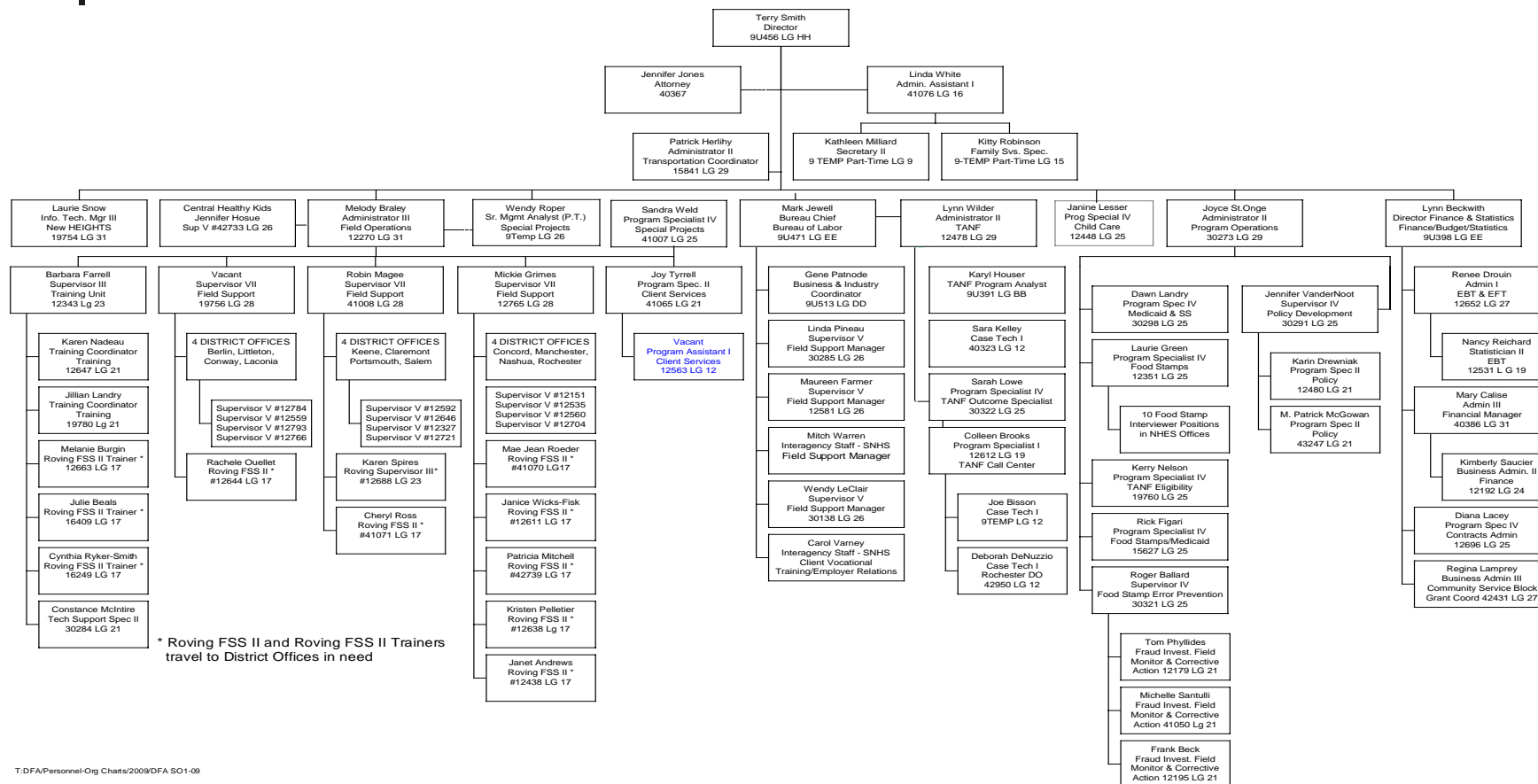
- DFA ensures cost effective program performance:
 - *Accurate benefits to eligible people.* We have an Error Prevention Team and an Office of Quality Control who conduct case reviews for payment accuracy and fraud.
 - *Cost Savers:* We are reviewing the cost savings associated with a unit of staff who would screen and facilitate SSI applications for clients on APTD, OAA, and ANB cash programs, as well as clients claiming exemption from TANF due to a disability. The goal is to replace general funds with federal funds.

Organizational Overview



DIVISION OF FAMILY ASSISTANCE STATE OFFICE

January 2009



T:DFA/Personnel/Org Chats/2009/DFA SO1-09

March 3, 2009

DHHS Division of Family
Assistance Legislative Briefing



Operations Overview (continued)



- DFA conducts eligibility for 32 separate programs.
- Average benefits per worker in SFY 2008 was \$6,471,683.
- In January '09, a total of 88,408 cases received assistance, serving 131,088 people (10% of New Hampshire residents).
- Clients are determined eligible based on income, cashable assets (not including home or furnishings) and other circumstances depending on the program.
- All client information is 3rd party verified for truthfulness and accuracy.
- Statistical samples are drawn for quality control in-depth reviews.
- 42 staffed locations statewide including:
 - 12 District Offices
 - Centralized Healthy Kids location in Concord
 - 3 Satellite Offices (Lebanon, Colebrook, and Plymouth—staffed part-time)
 - 14 ServiceLinks (staffed part-time)
 - 13 Employment Security Offices, where our employment counselors are co-located with contracted NHES and Community Action Agency Workers.

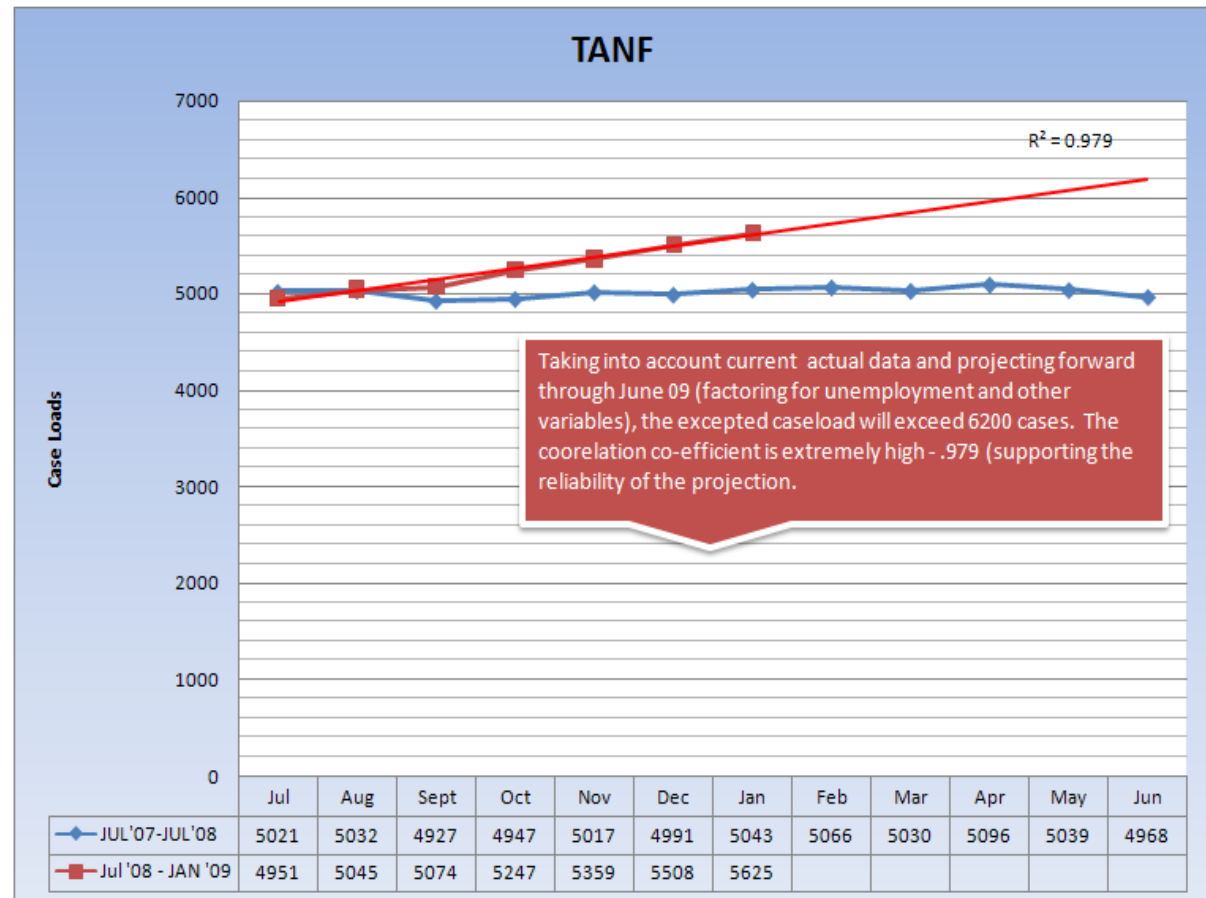
Cost Drivers

Projected Caseload Increases



Impacts

- interpreter costs
- benefits costs
- increased caseloads per worker (399 in 1999, 510 today).



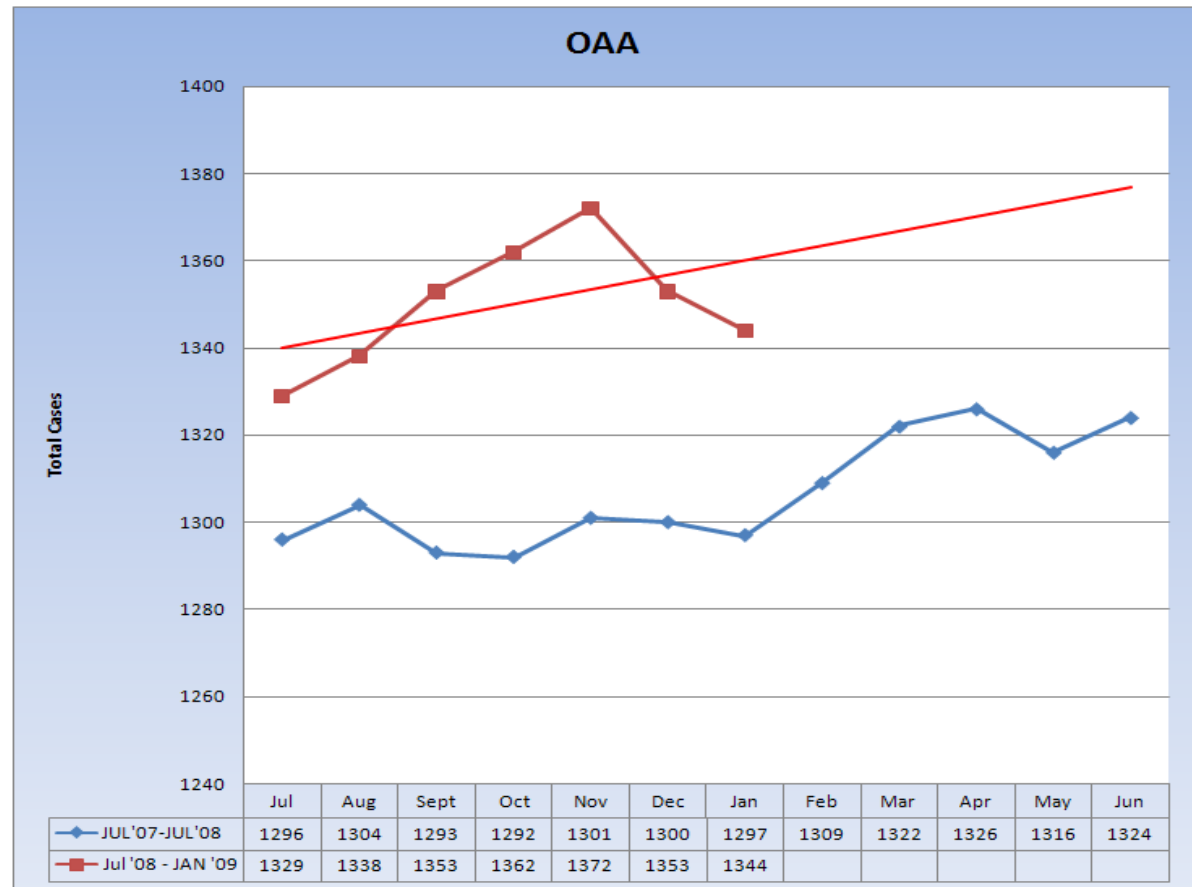
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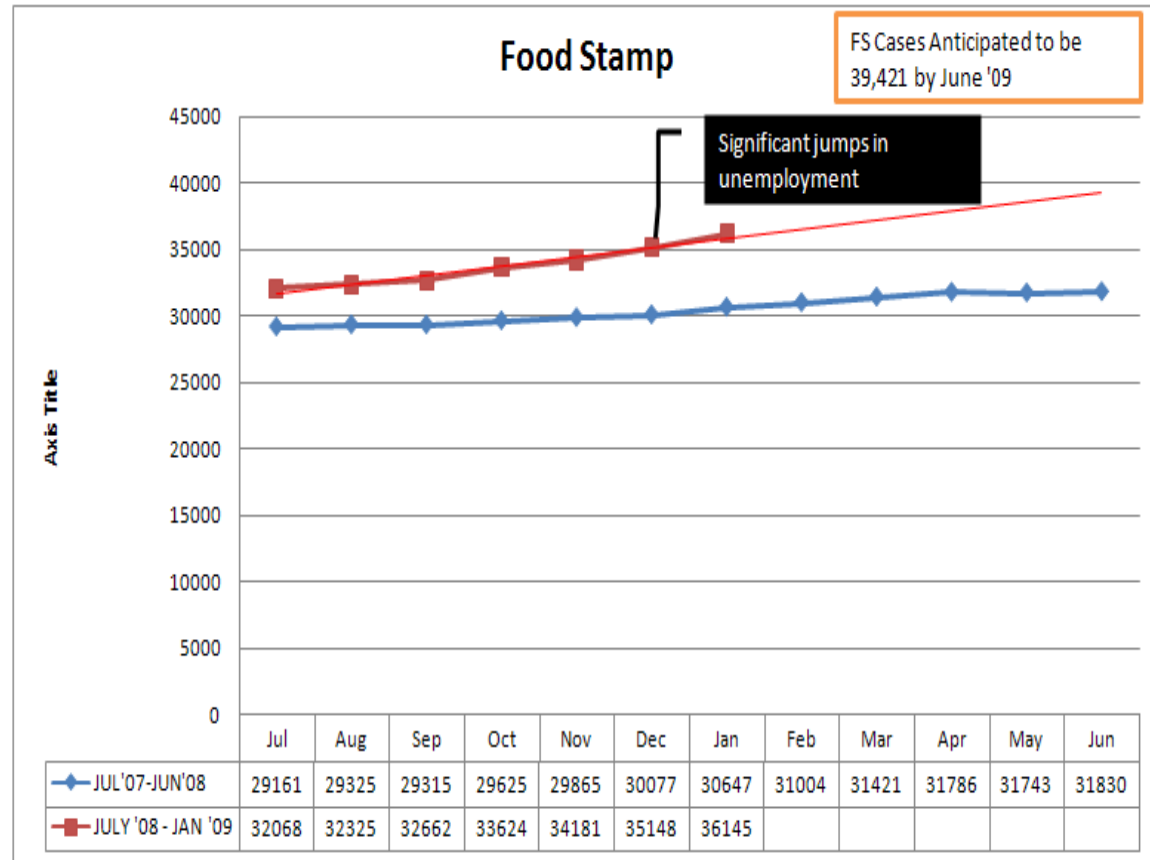
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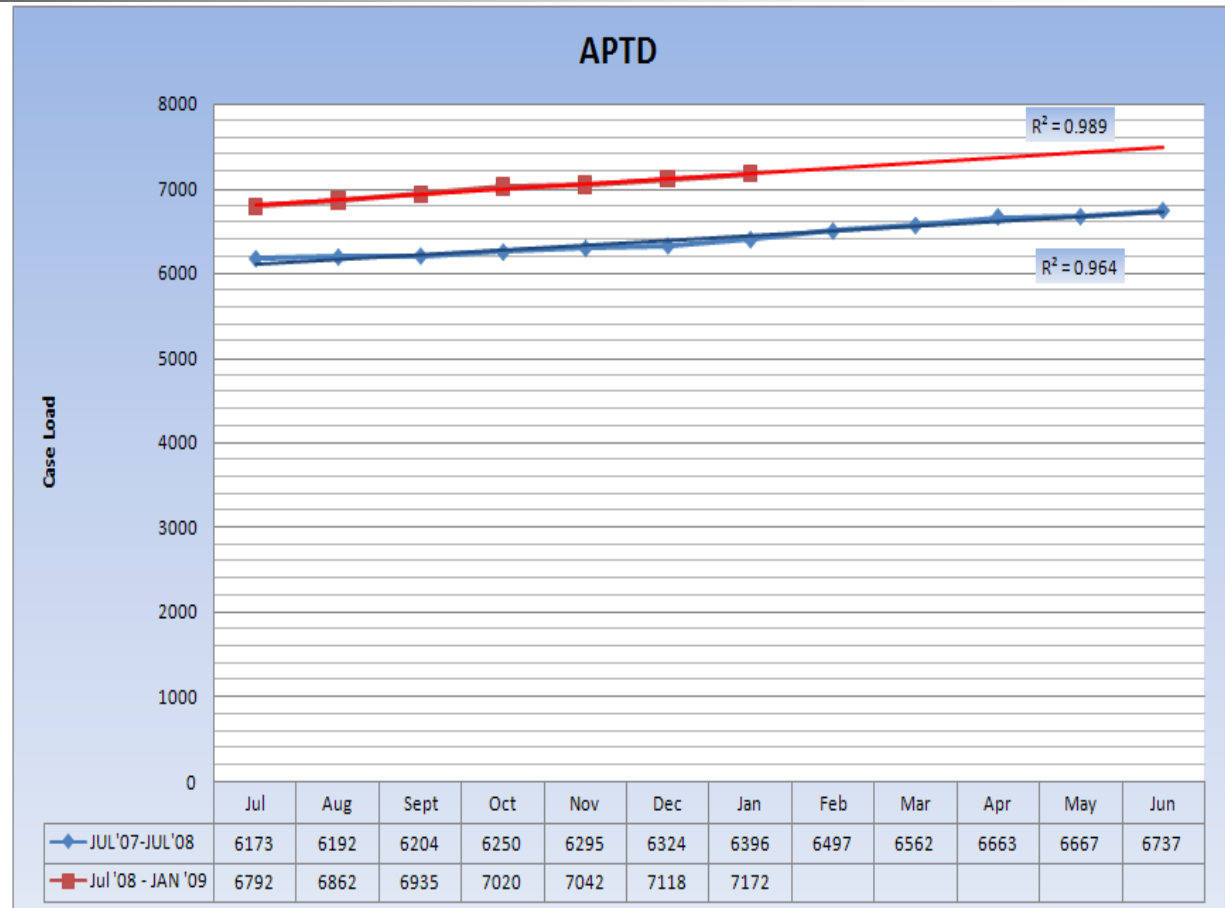
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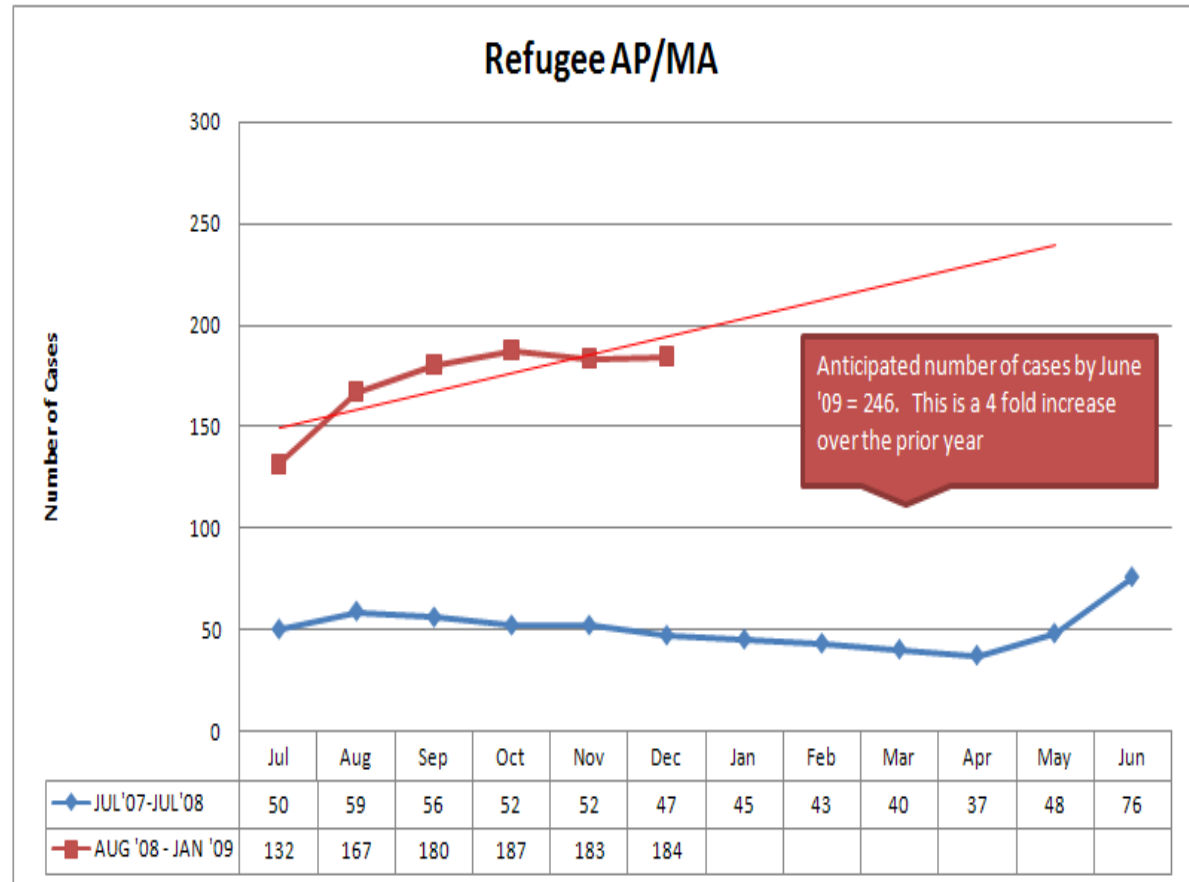
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Cost Drivers

Stimulus Packages



Food Stamps:

- The food stamp allotment for a household size of 4 will increase \$80, from \$588 to \$668. Similar increases will accrue for other household sizes.
- We are unable to determine how much we might receive in each of 2009 and 2010 in supplemental administrative dollars. Federal strings attached to these dollars is yet unknown.

TANF:

- NH will receive reimbursement for 80% of new costs due to 2009 and 2010 caseload increases. While this pays a portion of increased costs due to the economy, the remainder was unbudgeted and represents new spending. In 2011 and beyond, 100% of caseload growth must be borne by the State. We are unable to determine how much we might receive.

Community Services Block Grant:

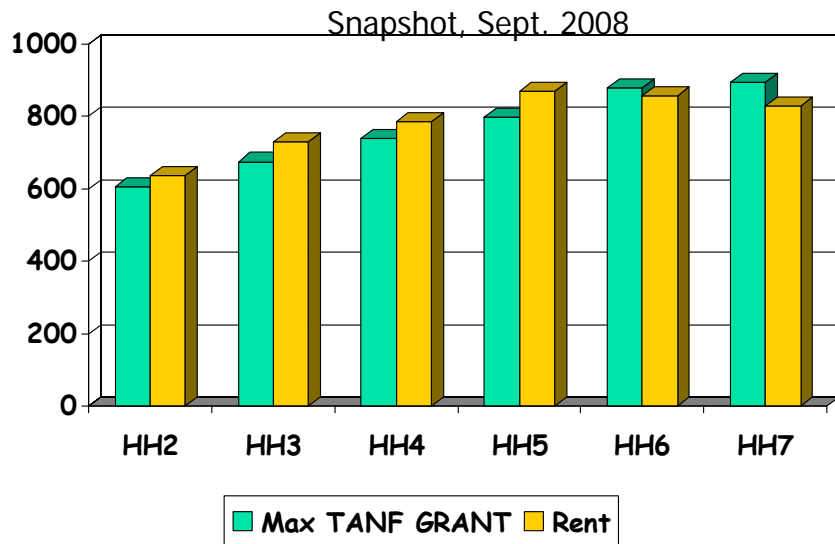
- The Department will receive money to be distributed to the 6 Community Action Agencies. We are unable to determine how much we might receive.
- 1% of the allocation may be retained by the state to be used for benefits enrollment coordination activities relating to identification and enrollment of eligible individuals and families in Federal, State and Local benefit programs. Federal guidance forthcoming.

TANF Grant



The TANF benefit amount has not kept pace with inflation or rent costs.

("HH means "household size")



TANF GRANT LEVELS HISTORY		
EFFECTIVE DATE	4	% Federal Poverty
January 1, 1975	\$346.00	
January 1, 1976	\$346.00	
January 1, 1977	\$346.00	
January 1, 1978	\$346.00	
July 1, 1979	\$392.00	
January 1, 1980	\$392.00	
January 1, 1981	\$392.00	
January 1, 1982	\$392.00	
September 1, 1982	\$392.00	
July 1, 1983	\$410.00	
July 1, 1984	\$429.00	
July 1, 1985	\$442.00	
July 1, 1986	\$451.00	
July 1, 1987	\$541.00	
July 1, 1988	\$552.00	56%
July 1, 1989	\$536.00	53%
July 1, 1990	\$575.00	54%
July 1, 1991	\$575.00	51%
July 1, 1992	\$575.00	49%
July 1, 1993	\$575.00	48%
July 1, 1994	\$613.00	50%
July 1, 1995	\$613.00	49%
July 1, 1996	\$613.00	47%
January 1, 1997	\$613.00	46%
July 1, 1998	\$613.00	45%
August 1, 1999	\$639.00	46%
April 1, 2000	\$663.00	47%
July 1, 2001	\$663.00	45%
July 1, 2002	\$663 / \$688	46%
July 1, 2003	\$663 / \$688	45%
July 1, 2004	\$663 / \$688	44%
July 1, 2005	\$663 / \$688	43%
July 1, 2006	\$663 / \$688	41%
July 1, 2007	\$663 / \$688	40%
August 1, 2008	\$663 / \$738	42%

Over the 20 year period from 1988 to 2008, the TANF grant raises by \$186. This is a 34% increase. At the same time, inflation averaged 3% a year, or 60% for the 20 year period. TANF grant purchasing power drops 24%.

Today's federal poverty level is \$1,767. TANF Grant is \$738. This is 42% of federal poverty. Applicants are not eligible for TANF above this amount.



TANF Reserve



- The TANF Reserve is unspent TANF federal funds that accrued before 2006 when millions in federal bonuses supplemented our \$38 million annual block grant. Federal bonuses are no longer given.
- The dollar amount of the TANF Block Grant was established in 1996. Inflation has eroded it by 36%.
- The Reserve has been in deficit spending mode.
- Since the Governor submitted his budget, disturbing trends regarding caseload increases have come to the Department's attention.
- Over the coming weeks, we will be analyzing this new data and creating TANF caseload projections.
- When we have clear data, including federal guidance on TANF Stimulus money, we will provide you with a revised TANF Reserve spending projection.



ACCES Front Door



The Department is transforming the way clients apply for benefits. DFA is moving toward:

- electronic document filing (no expensive central filing space);
- web-based eligibility screening (fewer full interviews of clearly ineligible people);
- web-based applications for assistance (faster service);
- telephone interviews (client convenience);
- web-based user accounts so clients get answers online (saves phone calls); and
- centralized worker functionalities (reduced overhead).

Budget Request by Class



		SFY 2008	SFY 2009	SFY 2010	SFY 2010	SFY 2011	SFY 2011
CLA	DESCRIPTION	Expended	Adjusted Authorized	Maintenance	Governor Budget	Maintenance	Governor Budget
Class							
010	Personnel Services-Permanent	11,812,762	13,146,981	14,207,534	13,878,634	14,515,813	14,178,831
012	Personnel Services-Unclassified	357,810	310,733	390,854	390,854	397,442	397,441
018	Overtime	410,366	500,804	510,820	459,738	521,036	468,932
020	Current Expense	452,829	619,134	630,476	567,629	641,796	577,817
021	Food Institutions	0	0	1,000	1,000	1,250	1,250
022	Rents & Leases Other than State	0	0	7,501	7,501	8,001	8,001
026	Organizational Dues	13,412	18,651	18,994	13,746	19,344	13,991
027	OIT Transfer	0	1	1	1	1	1
030	Equipment	3,911	26,967	12,506	20,618	12,756	21,461
040	Indirect costs	98,887	162,677	125,550	137,541	128,050	140,388
041	Audit Fund Set Aside	55,205	117,519	123,181	119,983	128,711	125,513
042	Transfer to COLA	466,720	498,012	525,141	525,141	534,998	534,998
046	Consultants	299,962	1	1	1	1	1
050	Personal Services-Temporary	260,094	321,574	246,323	246,323	256,175	256,175
060	Benefits	6,005,212	6,477,817	8,067,443	7,873,538	8,602,711	8,395,937
062	Workers Compensation		87,506	118,789	118,789	121,164	121,165
066	Training			5,000	2,900	5,500	3,190
070	In-State Travel	228,951	188,514	192,262	163,591	196,085	166,841
072	Federal Grants		200,000	200,000	200,000	200,000	200,000
080	Out-of-State Travel	14,391	15,877	16,065	11,282	16,256	11,378
090	Other Expenditures	42,117,517	0	0	0	0	0
091	Other Expenditures	17,568,467	0	0	0	0	0
092	Other Expenditures	211,953	0	0	0	0	0
093	Other Expenditures	3,519,608	0	0	0	0	0
094	Other Expenditures	37,200	0	0	0	0	0
095	Other Expenditures	0	0	0	0	0	0
096	Other Expenditures	0	0	0	0	0	0
097	Other Expenditures	0	0	0	0	0	0
098	Other Expenditures	0	0	0	0	0	0
099	Other Expenditures	116,460	0	0	0	0	0
102	Contracts for Program Services		14,030,646	14,221,662	14,221,662	14,416,498	14,416,498
103	Contracts for Operational Services		550,266	561,271	561,271	572,496	572,496
501	Payments to Clients		53,532,567	49,098,230	43,497,276	50,610,243	45,009,289
502	Payments to Providers		4,527,324	4,566,570	4,551,570	4,632,101	4,617,101
538	Emergency Assistance		1,525,000	1,500,000	1,500,000	1,500,000	1,500,000
539	Payments to Towns & Cities		100,000	100,000	0	100,000	0
	Total Expense	84,051,716	96,958,571	95,447,173	89,070,588	98,138,428	91,738,695
	Federal	37,753,632	48,022,945	43,411,426	43,211,400	44,557,549	44,347,266
	Highway	0	0	0	0	0	0
	Other	12,530,767	4,635,000	4,635,000	4,785,000	4,635,000	4,785,000
	GF Staff	9,732,357	10,369,550	11,858,044	11,580,561	12,304,364	12,015,747
	General	24,034,962	33,931,077	35,542,704	29,493,627	36,641,514	30,590,682
	Total General Funds	33,767,319	44,300,627	47,400,748	41,074,188	48,945,878	42,606,429
	Total Revenue	84,051,717	96,958,572	95,447,174	89,070,589	98,138,427	91,738,695

Building Blocks



			SFY2010		SFY2011	
			Maint. Request	Governor's Budget	Maint. Request	Governor's Budget
			General Funds	General Funds	General Funds	General Funds
<u>I Federally Mandated Entitlement Categories & Services</u>						
DFA	TANF	TANF	\$6,363	\$4,140	\$6,363	\$4,140
DFA	TANF	Families with Older Children	\$176	\$176	\$180	\$180
DFA	ANB	Aid to Needy Blind	\$1,149	\$417	\$1,191	\$459
DFA	APTD	Aid to Permanently & Totally Disabled	\$14,939	\$12,664	\$16,089	\$13,814
DFA	Food Stamps	Job Search	\$20	\$20	\$20	\$20
DFA	OAA	Old Age Assistance	\$2,738	\$2,718	\$3,044	\$3,024
<u>II Federal Optional Entitlement Categories & Services</u>						
DFA	TANF	Emergency Assistance	\$750	\$750	\$750	\$750
DFA	APTD	Funerals	\$15	\$0	\$15	\$0
DFA	OAA	Funerals	\$10	\$10	\$10	\$10
<u>III Federal Grants</u>						
DFA	Food Stamps	Nutrition Education	\$0	\$0	\$0	\$0
DFA	Food Stamps	EBT Contract	\$241	\$241	\$246	\$246
DFA	Refugee Grants	Cash and Medical Assistance to Refugees	\$0	\$0	\$0	\$0
DFA	TANF	Transportation Brokerage	\$0	\$0	\$0	\$0
DFA	TANF	Contracts for Program Services	\$2,435	\$2,435	\$2,484	\$2,484
DFA	TANF	Payments to Providers	\$1,460	\$1,460	\$973	\$973
DFA	Community Services	CSBG grants to CAPs	\$0	\$0	\$0	\$0
<u>IV State Optional Services</u>						
DFA	Solely State Funded-	Cash Assistance to 2-Parent clients	\$634	\$634	\$644	\$644
DFA	Solely State Funded-	Cash Assistance to IDP clients	\$3,612	\$3,010	\$3,612	\$3,010
DFA	Administer Town Clai	Payments to towns when determination of benefits is delayed	\$100	\$0	\$100	\$0
<u>V Personnel - Direct Care</u>			\$4,420	\$4,314	\$4,594	\$4,484
<u>VI Personnel - Non Direct Care</u>			\$7,438	\$7,266	\$7,710	\$7,531
<u>VII Administrative Non-Personnel Costs</u>			\$901	\$819	\$922	\$838
Total Budget			\$47,401	\$41,073	\$48,946	\$42,605
Lines V & VI above are calculated using the "Direct Care" list which is not inclusive of all positions that are actually providing direct care to clients.						
			Maint. Request	Governor's Budget	Maint. Request	Governor's Budget
			General Funds	General Funds	General Funds	General Funds
Lines V & VI below are calculated using the positions truly providing direct care.						
<u>V Personnel - Direct Care</u>			\$9,708	\$9,506	\$10,080	\$9,870
<u>VI Personnel - Non Direct Care</u>			\$2,150	\$2,074	\$2,224	\$2,145



Change Requests & Other Items



- Change items not included in Gov. budget:
 - 1 New FT Position-Clerk Interviewer-Salem NHEP
 - 4 Vehicles - Employees that travel in excess of 15,000 miles
 - TANF funding not reduced in DCYF 05-95-40-403010-58550000 & 05-95-40-403510-61480000
- Major changes from Maintenance to Governor's budget:
 - Counting of SSI in TANF and State Funded Program
 - Earned Income Disregard (OAA & APTD)
 - Deeming of Parental Income (ANB)
 - Elimination of payments to Towns & Cities for delayed state benefits
 - Efficiency savings by assisting clients in obtaining SSI (APTD)



Change Requests & Other Items



List the errata that you are proposing:

- Correction of mathematical error in calculation of APTD efficiency reduction



Questions ?
